



OFFICE OF GOVERNOR MARK DAYTON

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Providing Tax Relief for Working and Middle Class Minnesotans

Governor Dayton's proposal makes Minnesota's tax system more progressive by offering tax relief to low-and middle-income families through the extension of the Minnesota Working Family Credit and Renter's Credit.

Minnesota Working Family Tax Credit

The Governor's proposal changes Minnesota tax law to conform to federal tax law for tax years 2013 through 2017, providing tax relief for thousands of Minnesota families. The Minnesota Working Family Credit mirrors the Federal Earned Income Tax Credit for low-and middle-income families. Beginning in tax year 2012, the federal government increased their income thresholds to allow more families to qualify for the federal credit. Minnesota did not conform to the federal changes for tax year 2012.

» **54,100 families receive relief.** Conforming to the federal income thresholds increases the credit amount for 54,100 households by an average of \$316. This is real money being put back into the hands of Minnesotans hit hardest by the recent recession.

» **13,300 new families receiving relief.** By conforming to the federal income thresholds, the Governor's proposal allows over 13,000 Minnesota families to receive the state credit that would not otherwise receive it.

Renter's Credit

The governor recommends providing more property tax relief to renters by increasing funding for the Renter's Property Tax Refund program. The governor's proposal would increase refunds for approximately 93% of the 334,000 renters currently filing for a refund. The average renter would see a \$57 increase.

A senior couple with a yearly income of \$20,000 paying \$4,800 in rent a year (\$400 a month) would receive \$156 more under the governor's plan.

Current Law	Gov. Proposal	Change
\$501	\$657	\$156

By the Numbers

12.7%	Percent of Minnesota filers claiming the Working Family Credit in 2009
\$595	Average credit received by families claiming the Working Family Credit
54,100	Number of households getting the Working Family Credit under the Governor's proposal
13,300	Number of new Minnesota families that will now be eligible to get the Working Family Credit
\$316	Average Working Family Credit increase if conformity is extended